



# **PRELIMINARY BUDGET**

## **Fiscal Year 2018**

**April 25, 2017**

# **Stacey Stevenson**

## **Deputy City Manager**

# Introduction

## Budget workshop #3

- Budget priorities
- Unfunded needs
- Presentation of the preliminary budget for fiscal year 2018

# Introduction

## Recent budget history

- Restaffing of critical vacancies
- Market salary adjustments
- Capital improvement program (CIP) projects
- Strategic use of fund balance

# Introduction

## Budget preparation

- Departmental requests
- Analysis of spending and revenue patterns
- Refinements in budgeting methodology

# Introduction

## Key budget elements

- More conservative budget
- Refinement of revenue projections
- Overall decrease in General Fund Maintenance & Operations costs
- Decrease in net CIP costs
- Significant reduction in anticipated salary savings

# Introduction

## Key budget elements (continued)

- Increased personnel costs
  - No new positions
  - Defunding of 4 vacant positions
  - Negotiated increases
  - Pension costs

# Introduction

## Deficit Spending

- Projected expenses exceed projected revenues
- Use of fund balance

# Introduction

## Workshop Objective

- Council's input/direction on the key elements built into the preliminary budget
- Council's direction on additional items not currently in the budget

# **Mark Roberts**

## **Director of Finance**



# General Fund



# Unassigned Fund Balance

Fund balance, 6/30/16	\$12,166,730
<u>Projected use of fund bal., FY 17 mid-yr</u>	<u>(3,016,221)</u>
Projected fund balance, 6/30/17	\$9,150,509



# Preliminary Budget Summary

## Fiscal Year 2018

Total Revenues	\$53,008,200
Transfers In	255,500
Operating Expenditures	(55,053,399)
Transfers Out	(2,027,843)
<hr/>	
Surplus/(Deficit)	(\$ 3,817,542)



# Projected Change in Unassigned Fund Balance – Fiscal Year 2018

Projected fund balance, 6/30/17	\$ 9,150,509
Estimated use of fund bal., FY18 preliminary budget	(3,817,542)
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Estimated fund balance, 6/30/18	\$ 5,332,967



# Revenues

## FY 18 Preliminary vs FY 17 Adopted

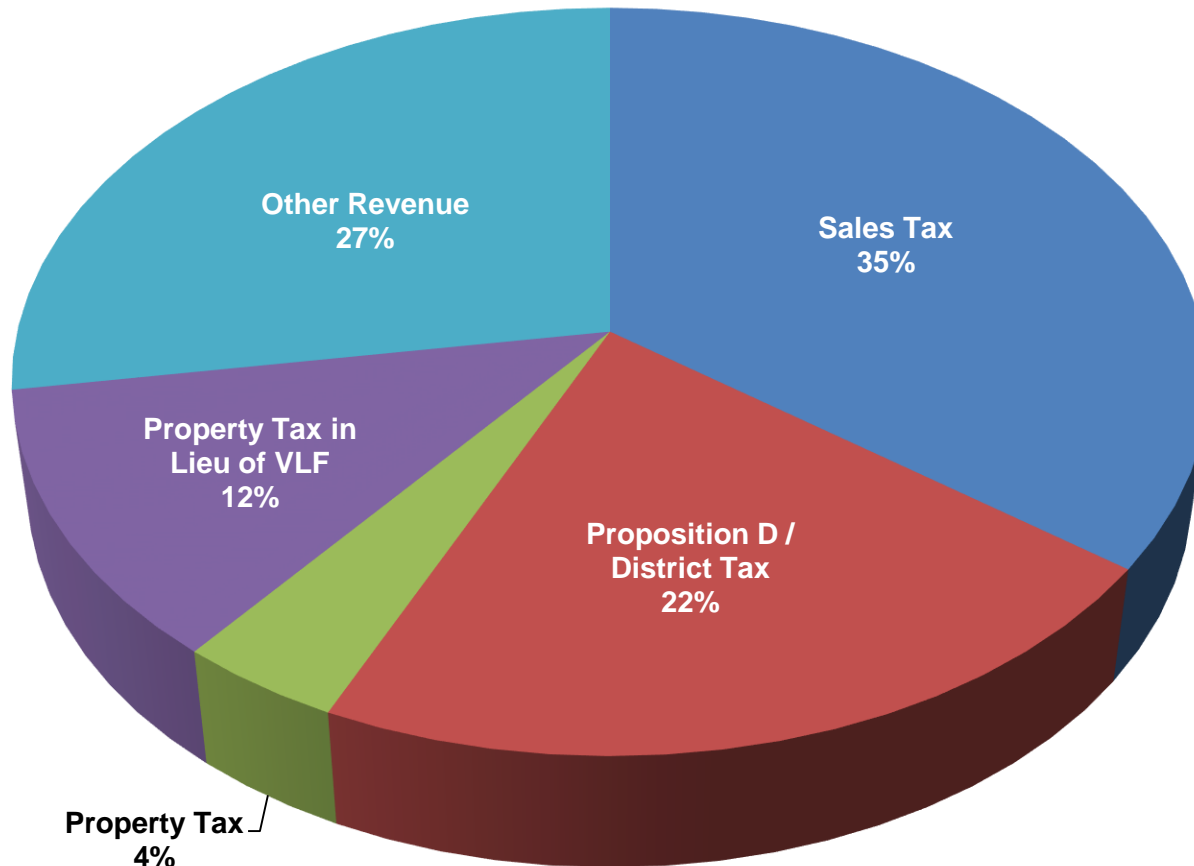
	<b>FY 18 Preliminary</b>	<b>FY 17 Adopted</b>	<b>Change</b>
Sales Tax	\$18,627,564	\$17,851,000	\$ 776,564
Proposition D / District Tax	11,507,650	10,877,000	630,650
Property Tax	2,089,761	2,130,570	(40,809)
Property Tax in Lieu of VLF	6,220,229	5,902,223	318,006
Other Revenue	14,562,996	\$11,005,913	3,557,083
<b>Total</b>	<b>\$53,008,200</b>	<b>\$47,766,706</b>	<b>\$5,241,494</b>

\* Includes \$2M reimbursement from WI-TOD developer for Paradise Creek Park Remediation project.

# Revenues

## Fiscal Year 2018

Estimated Revenues - \$53.01 M



\* Does not include Transfers In.



# Expenditures

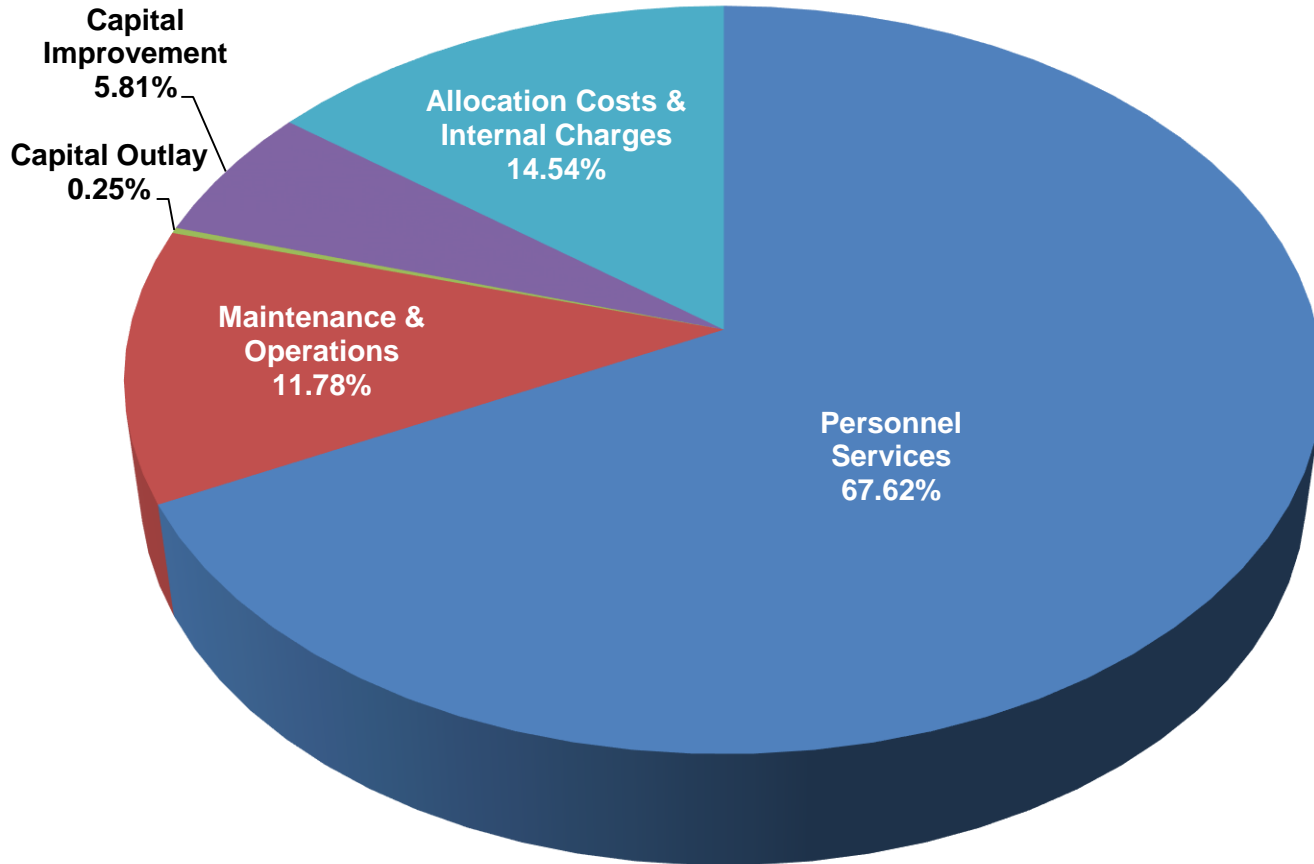
## FY 18 Preliminary vs FY 17 Adopted

	<b>FY 18 Preliminary</b>	<b>FY 17 Adopted</b>	<b>Change</b>
Personnel Services	\$37,227,027	\$35,063,603	\$ 2,163,424
Maintenance & Operations	6,483,098	6,643,312	(160,214)
Capital Outlay	136,706	252,777	(116,071)
Capital Improvement	3,200,000	1,900,000	1,300,000
Allocated Cost & Internal Chrgs	8,006,567 <sup>*</sup>	7,392,744	613,823
<b>Total</b>	<b>\$55,053,399</b>	<b>\$51,252,436</b>	<b>\$3,800,963</b>

\* \$2M total to be offset by reimbursement from WI-TOD developer for Paradise Creek Park Remediation project

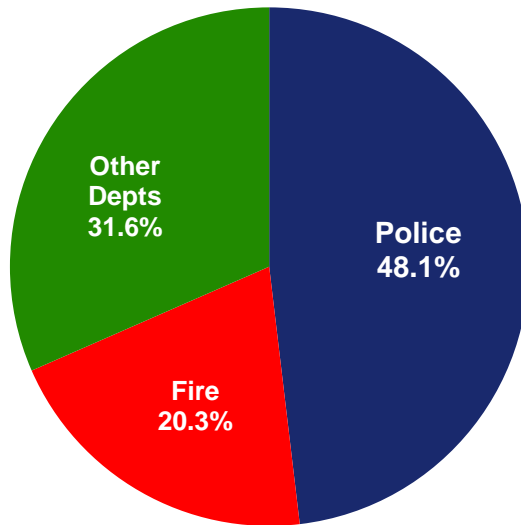
# Expenditures Fiscal Year 2018

Estimated Expenditures by Category - \$ 55.05 M\*



\* Does not include Transfers Out.

# Percentage of Expenditures by Department – Fiscal Year 2018



Police

Fire

Other Depts

- City Council
- City Clerk
- City Treasurer
- City Manager
- City Attorney
- Community Services
- Engineering & Public Works
- Finance
- Housing & Economic Development
- Human Resources
- Neighborhood Services
- Planning
- Non-Departmental



# Transfers In

## FY 18 Preliminary vs FY 17 Adopted

From	To	Purpose	FY 18 Preliminary	FY 17 Adopted	Change
Plan Checking Revolving Fee	General Fund	Administrative Transfer	\$250,000	\$0	\$250,000
Mile of Cars LMD	General Fund	Administrative Transfer	5,500	5,500	0
Total (Net) General Fund Impact			\$255,500	\$5,500	\$250,000



# Transfers Out

## FY 18 Preliminary vs FY 17 Adopted

From	To	Purpose	FY 18 Preliminary	FY 17 Adopted	Change
General Fund	Library Fund	Operating Subsidy	\$784,992	\$676,582	\$108,410
General Fund	Parks Maintenance Fund	Operating Subsidy	615,669	629,182	(13,513)
General Fund	Nutrition Center Fund	Operating Subsidy	440,832	388,426	52,406
General Fund	Personnel Comp Fund	Retiree Health Benefits	186,350	160,000	26,350
General Fund	Housing Choice Voucher Fund	Operating Subsidy	0	96,005	(96,005)
<b>Total (Net) General Fund Impact</b>			<b>\$2,027,843</b>	<b>\$1,950,195</b>	<b>\$77,648</b>

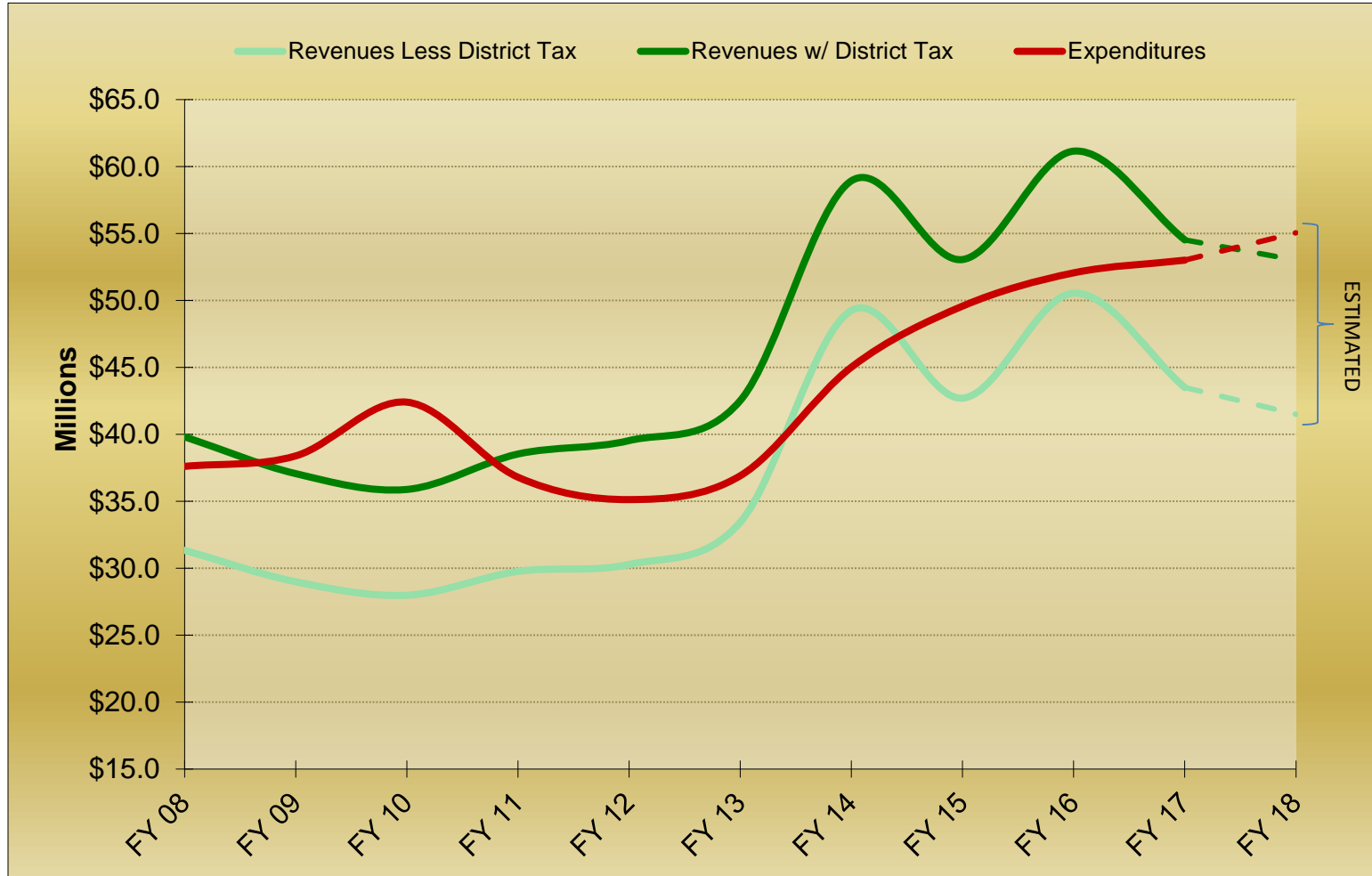


# Budget Summary

## FY 18 Preliminary vs FY 17 Adopted

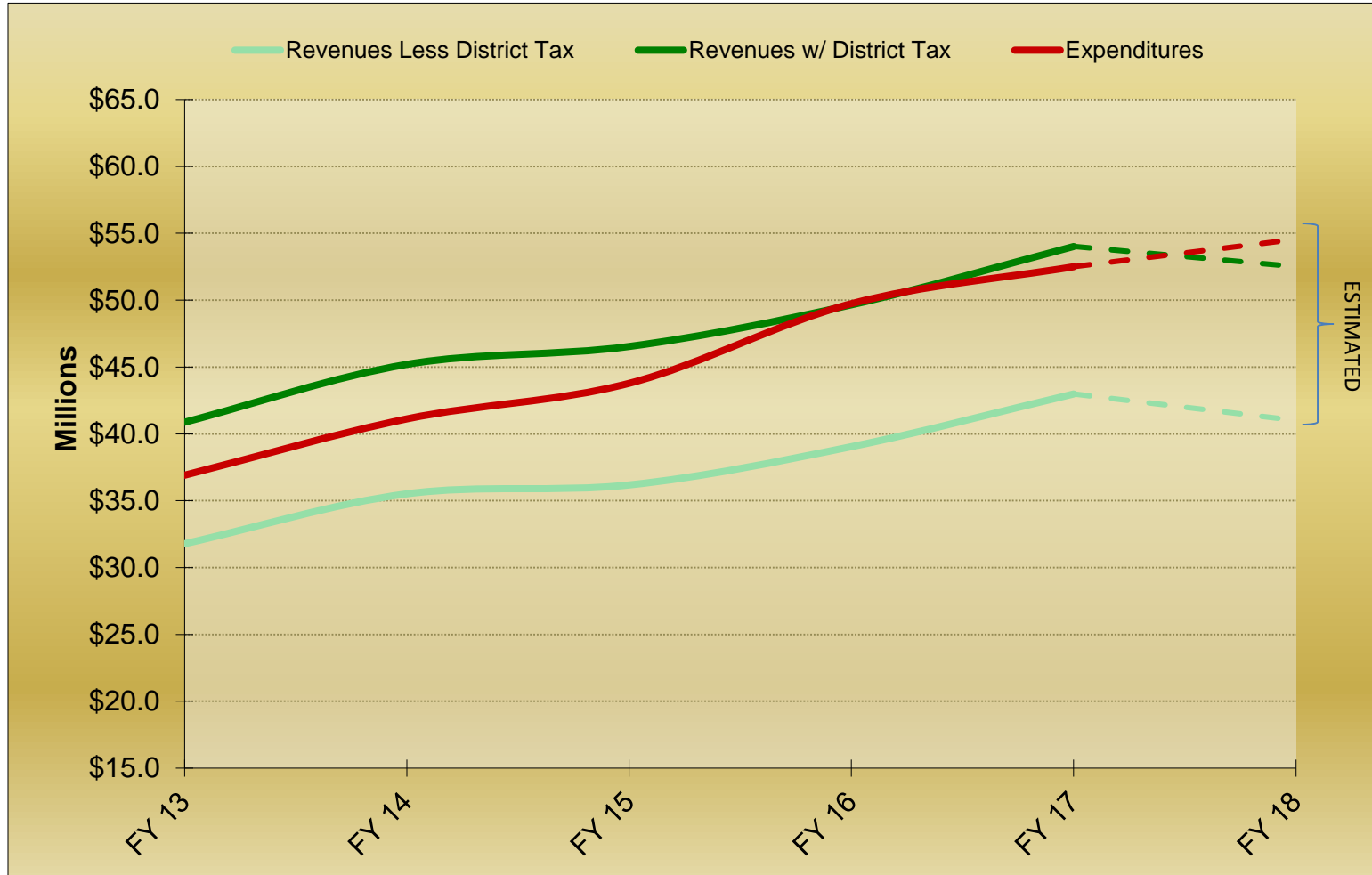
	<b>FY 18 Preliminary</b>	<b>FY 17 Adopted</b>	<b>Change</b>
Total Revenues	\$53,008,200	\$47,766,706	\$5,241,494
Transfers In	255,500	5,500	250,000
Operating Expenditures	(55,053,399)	(51,252,436)	(3,800,963)
Transfers Out	(2,027,843)	(1,950,195)	(77,648)
<b>Total</b>	<b>(\$ 3,817,542)</b>	<b>(\$ 5,435,925)</b>	<b>(\$1,612,884)</b>

# Revenues & Expenditures



includes transfers in & out

# Revenues & Expenditures (excluding 1-times)





# Projected Change in Unassigned Fund Balance – Fiscal Year 2018

Fund Balance, 6/30/16	\$12,166,730
Projected Use of Fund Balance, FY17 Mid-Year	(3,016,221)
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Projected Fund Balance, 6/30/17	\$ 9,150,509
Estimated Use of Fund Balance, FY18 Preliminary Budget	(3,817,542)
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Estimated Fund Balance, 6/30/18	\$ 5,332,967

Deficit Spending, FY18 Preliminary Budget:

Estimated Use of Fund Balance	\$ 3,817,542
1-time Capital Spending (Non-Offset Expenses)	(1,336,706)
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Estimated Structural Deficit	\$ 2,480,836



# Total Budget



# Total Operating & Capital Budget FY 18 Preliminary vs FY 17 Adopted

<b>General Fund</b>	<b>FY 18 Preliminary</b>	<b>FY 17 Adopted</b>	<b>Change</b>
Revenues	\$53,008,200	\$47,766,706	\$5,241,494
Transfers In	255,500	5,500	250,000
Expenditures	(55,053,399)	(51,252,436)	(3,800,963)
Transfers Out	(2,027,843)	(1,950,195)	(77,648)
Projected Fund Balance Change - General Fund	<b>(\$ 3,817,542)</b>	<b>(\$ 5,430,425)</b>	<b>(\$1,612,884)</b>

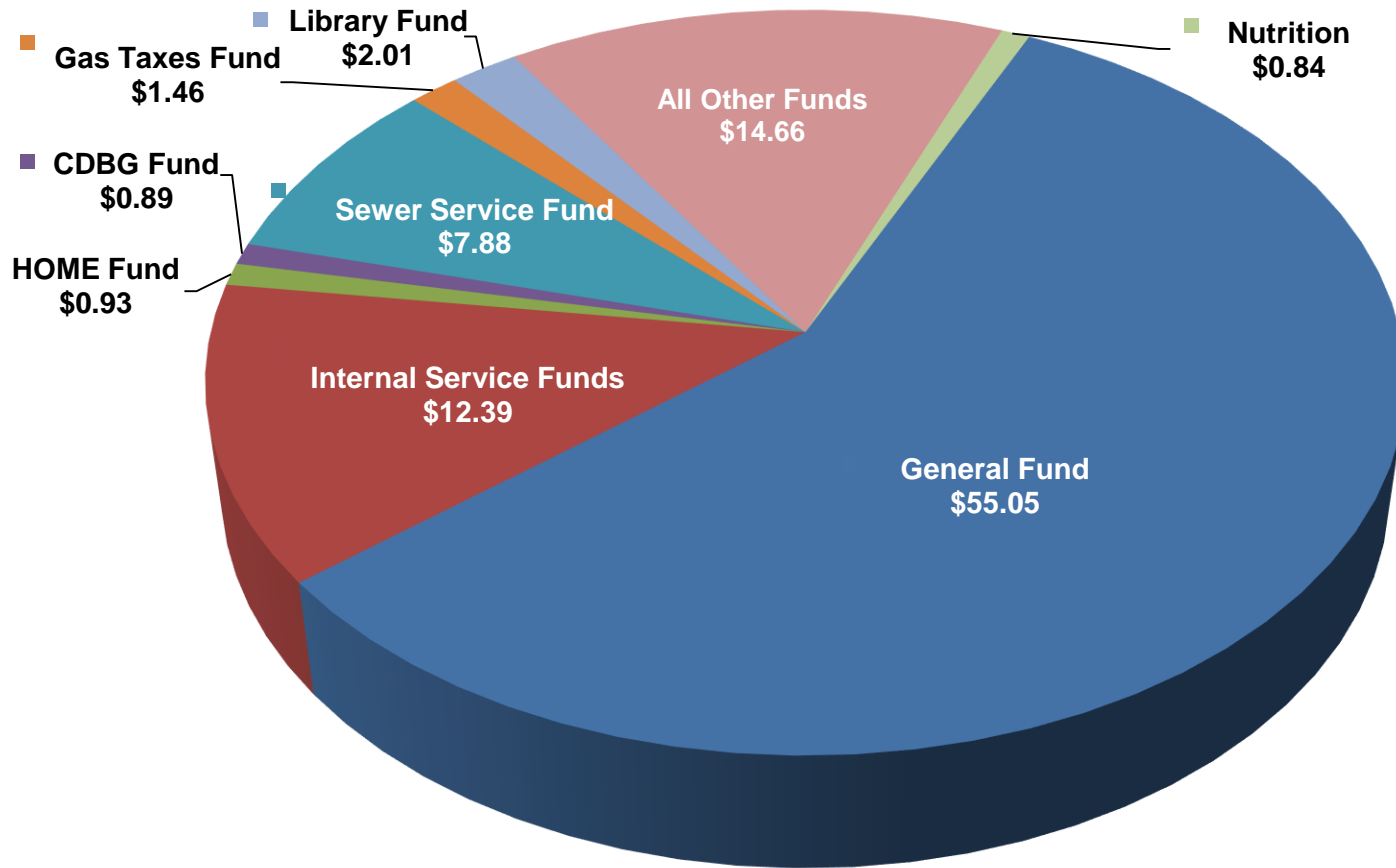
<b>Other Funds</b>	<b>FY 18 Preliminary</b>	<b>FY 17 Adopted</b>	<b>Change</b>
Revenues	\$36,991,903	\$35,470,252	\$1,521,651
Transfers In	2,903,053	2,481,195	421,858
Expenditures	(41,067,542)	(38,713,689)	(2,353,853)
Transfers Out	(1,130,710)	(536,500)	(594,210)
Projected Fund Balance Change - Other Funds	<b>(\$ 2,303,296)</b>	<b>(\$ 1,298,742)</b>	<b>(\$1,004,554)</b>

<b>All Funds</b>	<b>FY 18 Preliminary</b>	<b>FY 17 Adopted</b>	<b>Change</b>
Total Revenues	\$90,000,103	\$83,236,958	\$6,763,145
Total Expenditures	(96,120,940)	(89,966,125)	(6,154,815)
Projected Fund Balance Change - All Funds	<b>(\$ 6,120,837)</b>	<b>(\$ 6,729,167)</b>	<b>\$ 608,330</b>

Transfers In and Out for all funds equal (net) \$0

# Preliminary Total Budget Fiscal Year 2018

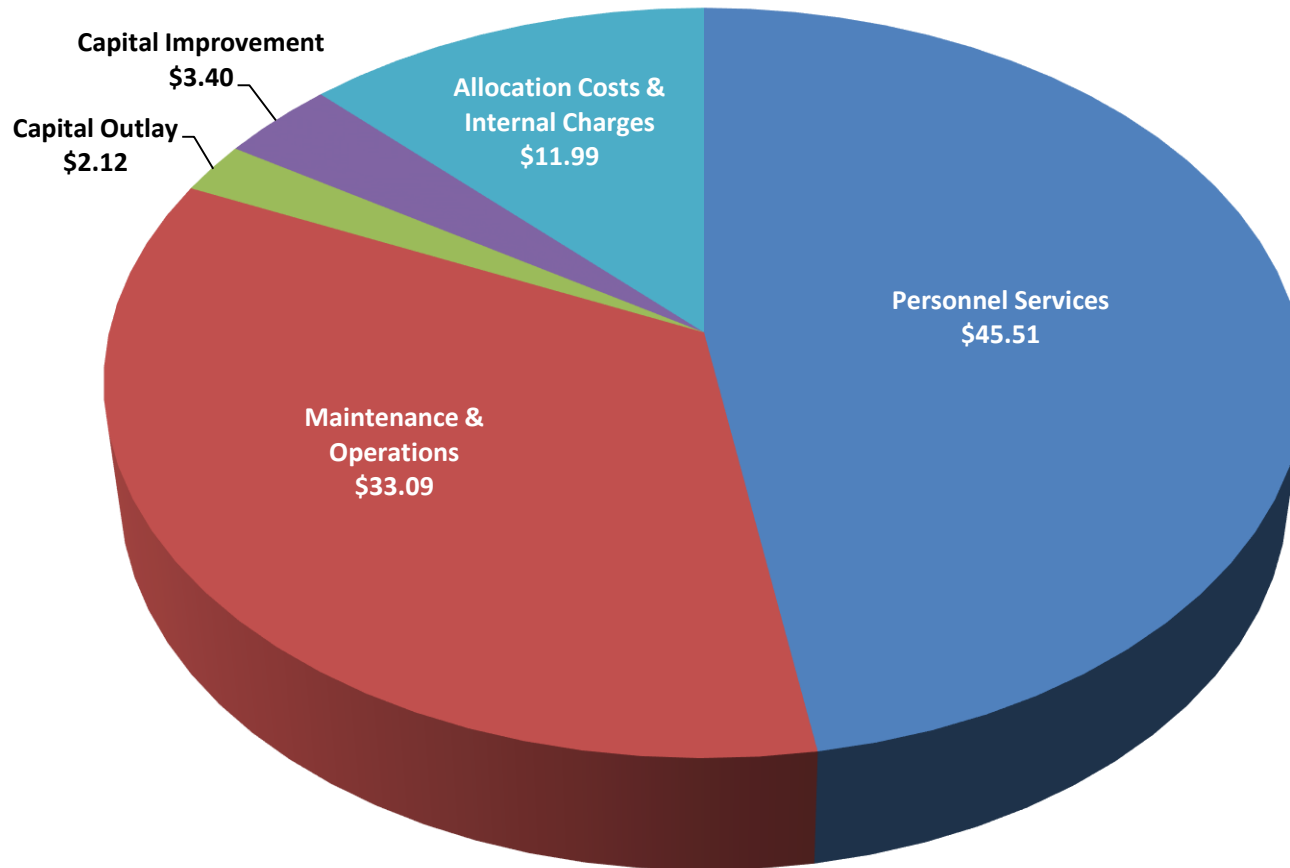
## Estimated Expenditures by Fund - \$96.12M





# Preliminary Total Budget Fiscal Year 2018

## Estimated Expenditures by Category - \$96.12M



# **Ed Prendell**

## **Budget Analyst**



# **Significant Budget Changes Preliminary Fiscal Year 2018 VS Adopted Fiscal Year 2017**



# Significant Changes General Fund

## FY 18 Preliminary vs FY 17 Adopted

Personnel	
Salaries	991,775
Pension contributions	1,171,649
Maintenance & Operations	
Agency Contributions	(106,950)
Rentals & Leases	(99,800)
Training	94,334
Professional Services	64,640

# Significant Changes General Fund

## FY 18 Preliminary vs FY 17 Adopted

Capital Outlay	
Fire Equipment (defibrillators)	(93,254)
Capital Improvements	
Paradise Creek Remediation (reimbursed)	2,000,000
Traffic Monitoring/System Improvements	550,000
Storm Drain Improvements	(300,000)
Internal Service Charges & Allocated Costs	
Information System Maintenance Charge	288,315
Vehicle Lease Charge	219,303

# Significant Change Drivers General Fund

## Personnel increase (\$2.2M)

- Salary increases
  - Negotiated increases
  - Normal (step) increases
- 3.0 Positions Frozen (FTEs)
  - 1.0 Assistant City Manager (City Manager)
  - 1.0 Senior Office Assistant (City Manager)
  - 1.0 Plans Examiner (Fire/Buildings)
- Pension cost increases

# Significant Change Drivers General Fund

## Maintenance & Operations decrease (\$160k)

- Transfer of copier leases from the General Fund to the Information Systems Maintenance Fund
- Increase in training
- Elimination of 1-time funding for the City-wide fee study
- Consolidation of the Plan Check Revolving Fund and the General Fund

# Significant Change Drivers General Fund

Capital Outlay decrease (\$116k)

- Fire Equipment (defibrillators)

Capital Improvement Program increase (\$1.3M)

- Increase for the addition of Paradise Creek Park Remediation (\$2M revenue offset)
- Increase to Traffic Monitoring / Safety
- Decrease of Drainage Improvements



# Significant Change Drivers General Fund

Internal Service Fund increase (\$614k)

- Vehicle Lease Charge (13 vehicles)
- Information System Maintenance Charge (public safety cameras & computer equipment)

# Significant Changes Non-General Fund

## FY 18 Preliminary vs FY 17 Adopted

Personnel	
Salaries	244,452
Maintenance & Operations	
Sewage Transmission & Treatment	1,000,000
Housing Assistance Payments	568,000
Contract Services	300,000
Agency Contributions	263,958
Liability Claim Costs	250,000
Professional Services	(453,120)
R&M Buildings & Structures	(165,000)



# Significant Changes Non-General Fund

## FY 18 Preliminary vs FY 17 Adopted

Capital Outlay	
Automotive Equipment	398,000
Capital Improvements	(325,000)

# Significant Change Drivers Non-General Fund

## Personnel

- Salary increases
  - Negotiated increases
  - Normal (step) increases
- Pension cost increases
- Position eliminated (FTEs)
  - 1.0 Housing Specialist (Housing & Economic Development)

# Significant Change Drivers Non-General Fund

## Maintenance & Operations

- Increase in sewage transmission & treatment rates
- Increase for Housing Assistance Payments
- Consolidation of Plan Check Revolving Fund with the General Fund

## Capital Outlay

- Purchase of 17 vehicles
  - Police Department (9), Public Works (7), Neighborhood Services (1)



# Significant Change Drivers Non-General Fund

## Capital Improvement Program

- Public safety cameras

# Staffing Levels

Fiscal Year 2018 Preliminary	366.60
<u>Fiscal Year 2017 Adopted</u>	<u>370.60</u>
Net Change	(4.00)



# Vacancy Report

Budgeted Vacancies*	11.00
<u>Unfunded Vacancies</u>	<u>52.75</u>
Total Vacancies	63.75

\* March 2017



# Reserves / Fund Balances

# General Fund

As of 6/30/16:

## General Fund

Contingency Reserve	\$ 9,085,066
Facilities Maintenance Reserve	2,500,000
<u>Unassigned Fund Balance</u>	<u>12,166,730</u>
Total	\$23,751,796

# Other Funds

As of 6/30/16:

Gas Taxes Fund Reserve	\$ 285,600
Sewer Service Fund Reserve	\$17,950,151
Liability Insurance Reserve	\$ 1,481,000
Workers' Compensation Reserve	\$ 6,647,000
Debt Service Reserve	\$ 1,058,434
Vehicle Replacement Reserve	\$ 4,883,534



# Other Potential Impacts



# Other Potential Impacts

## General Fund

Aquatic Center	\$ 181,000
Energy and water conservation project	172,265
Gas Taxes (Senate Bill 1) CIP contrib.*	(348,962)
Finance refinements	(45,000)
<u>Pension and/or OPEB pre-funding</u>	<u>1,000,000</u>
Total	\$ 959,303

\* Reduction of estimated General Fund contribution to CIP costs, if Senate Bill 1 is enacted.

# Other Potential Impacts Non-General Fund

Energy and water conservation project	\$ 215,331
Gas Taxes revenue (Senate Bill 1) *	(419,962)
Gas Taxes (Senate Bill 1) CIP **	348,962
Vehicle Replacement Fund	99,000
<u>Finance refinements</u>	<u>(19,000)</u>
Total	\$ 224,331

\* Additional revenue, if Senate Bill 1 is enacted.

\*\* Increased expenses, if Senate Bill 1 is enacted.

# Pension and/or OPEB Prefunding

Establish irrevocable supplemental pension and/or other post-employment benefits (OPEB) trust(s)

\$1M (total) initial contribution

Allocation to be determined



# Deficit Spending General Fund



# Deficit Spending General Fund

Projected Unassigned Fund Balance, 6/30/17	\$ 9,150,509
Estimated Structural Deficit, FY 18	(2,480,836)
<u>1-time Capital Spending (Capital Expenses)</u>	<u>(1,336,706)</u>
Estimated Remaining Unassigned Fund Balance, 6/30/18	5,332,967
 Potential Budget Adjustment - Est. Structural Deficit, FY 18	 (308,265)
Potential Budget Adjustment - 1-time Capital Spending, FY 18	(651,038)
 Estimated Structural Deficit, FY 18	 (2,789,101)
<u>1-time Capital Spending (Capital Expenses)</u>	<u>(1,987,744)</u>
Adjusted Use of Unassigned Fund Balance	(4,776,845)
 Projected Unassigned Fund Balance, 6/30/17	 9,150,509
<u>Adjusted Use of Unassigned Fund Balance, 6/30/18</u>	<u>(4,776,845)</u>
Adjusted Estimated Remaining Unassigned Fund Bal., 6/30/18	\$ 4,373,664



# Capital Improvement Program (CIP)

# **Steve Manganiello**

## **City Engineer**



# **Update on National City's Capital Improvement Program and FY 2018 Funding Recommendations**

*City Council Budget Workshop  
April 25, 2017*

# Overview

## Objective

- Evaluate, prioritize and identify funding options for the repair, replacement and expansion of the City's physical infrastructure, facilities, parks and fleet.

## Process

- “Sliding” five-year budgeting process where the first year of five-year program represents “approved” capital budget, which is incorporated into City’s annual budget
- Projects programmed for subsequent years are for planning purposes only and do not receive expenditure authority
- City staff develop project proposals based on needs assessments, community input, and adopted planning policies
- CIP Committee reviews project proposals and provides recommendations to Planning Commission (PC) and City Council
- PC reviews new projects proposed for inclusion in the CIP for General Plan Consistency prior to City Council approval and budget adoption – staff presented the FY 2018 CIP to the PC on April 17, 2017; PC voted unanimously to make a determination that all of the new projects proposed for inclusion in the FY 2018 CIP are consistent with the General Plan.

# Overview

## CIP Categories

- Infrastructure – streets, sidewalks and pedestrian curb ramps for Americans with Disabilities Act (ADA) compliance; street lights, traffic signals and communications; sewer and storm water systems
- Facilities - City offices, public works yard and support facilities, police and fire stations, community center, public library and information technology (public safety cameras, data storage and communications)
- Parks & Recreation – Community parks and amenities such as ball fields, restrooms, lighting, landscaping, walking paths and information technology; health and quality of life facilities such as recreation centers, municipal swimming pool and aquatic center
- Vehicle Fleet – consists of 180 vehicles and heavy equipment, valued at approximately \$9 million; fleet management, replacement and modernization is required to provide essential services for the Community

# Overview

## **Major Maintenance (Deferred and/or Ongoing)**

- Capital improvement projects that provide major maintenance and/or upgrades to existing infrastructure and/or facilities required to provide essential public services and maintain health and safety
- Examples – roadway rehab, roof replacement, HVAC system upgrades, removal and replacement of deteriorated metal storm drain pipes

## **New Public Improvements**

- Capital improvement projects that expand existing infrastructure and/or facilities, or construct new facilities, to address present and future needs of the Community
- Examples – new skate park, multi-purpose athletic field, municipal swimming pool, aquatic center, community corridors

# Overview

## Project Prioritization

- Tier 1 - Annual/Ongoing Major Maintenance project
- Tier 2 - Near-term project (next 1 to 5 years)
- Tier 3 - Mid-term project (5 to 10 years)
- Tier 4 - Long-term project (10+ years)

## Evaluation Criteria

- Health and safety
- Community support
- Project costs and schedule
- Available funding
- Consistency with City General Plan and other long-range planning documents
- Ongoing maintenance costs

# CIP Funding

- With support of the Community and City Council, staff aggressively pursue Federal, State and Regional grants to fund Capital Projects
- Other funding sources include: *TransNet* (Prop A), Gas Tax, Sewer Service Fund, Capital Outlay, Development Impact Fees (DIF) and General Fund
- Funding sources for Capital Projects often have restrictions based on project scope and/or expenditure timelines
- Exploring funding options, including review of major maintenance reserve policies, is essential to ensuring fiscal sustainability

# CIP Funding Options

## "Pay as You Go"

- General Fund cannot support all capital needs
- Major Maintenance Reserves take a long time to build-up
- Heavily reliant on tax revenues and competitive grant awards

## Fee Programs

- Development Impact Fees (DIFs)
- Sewer Enterprise Fund

## Energy Savings Loans & Rebate Programs

- Energy Savings Contracts (ESCOs)
- Electric Vehicle Vouchers

## Debt Issuance (Bonds)

- Ability to address major capital needs in a timely manner
- Variety of options

# FY 2015 CIP Projects Completed

Projects	Amount
8th St Smart Growth Revitalization (Trolley Station to Highland Ave)	\$9,000,000
8th St Safety Enhancements (Highland Ave to Palm Ave)	\$1,500,000
Coolidge Ave Safe Routes to School (18th St to Plaza Blvd)	\$2,000,000
4th St Community Corridor (Roosevelt Ave to Harbison Ave)	\$1,500,000
18th St Community Corridor (Phase I – Wilson Ave to “D” Ave)	\$300,000
Drainage Improvements	\$215,000
George H. Waters Nutrition Center Improvements	\$160,000
Martin Luther King Jr Community Center Improvements	\$50,000
Casa de Salud Manuel Portillo Youth Center Improvements	\$30,000
WI-TOD Site Preparation	\$3,280,000
Public Works Relocation	\$5,000,000
<b>Total</b>	<b>\$23,035,000</b>

# FY 2015 CIP Projects Completed

## 8<sup>th</sup> St Smart Growth Revitalization (Trolley Station to Highland Ave)



Before



After

# FY 2015 CIP Projects Completed

## 8<sup>th</sup> St Safety Enhancements (Highland Ave to Palm Ave)

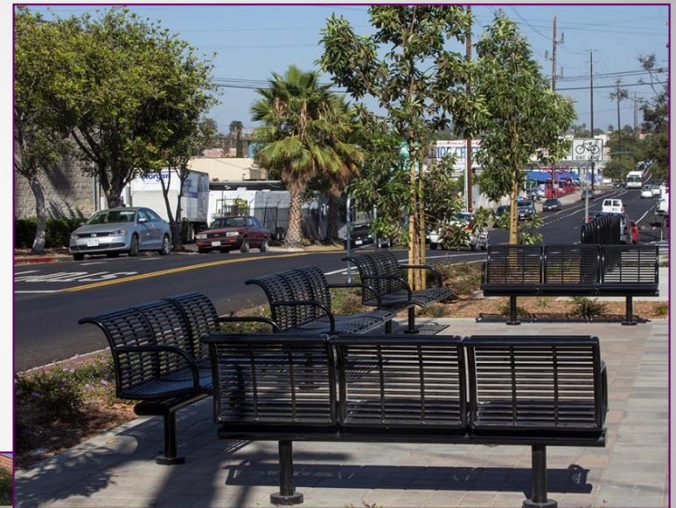
Before



After

# FY 2015 CIP Projects Completed

## Coolidge Ave Safe Routes to School (18<sup>th</sup> St to Plaza Blvd)



# FY 2015 CIP Projects Completed

## 4<sup>th</sup> St Community Corridor (Roosevelt Ave to Harbison Ave)



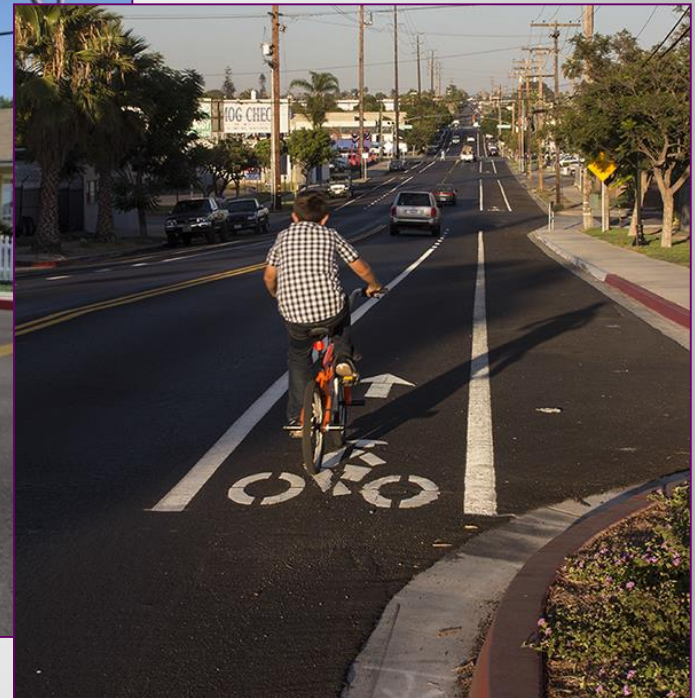
Bike Lane with Reverse Angle Parking

# FY 2015 CIP Projects Completed

18<sup>th</sup> St Community Corridor  
(Phase I – Wilson Ave to “D” Ave)



Green Bike Box



Bike Lane

# FY 2015 CIP Projects Completed

## Drainage Improvements



Before



After

# FY 2015 CIP Projects Completed

## George H. Waters Nutrition Center Improvements



New Walk-in Freezer



# FY 2015 CIP Projects Completed

## Martin Luther King Jr Community Center Improvements



Replaced two, 7.5 ton rooftop heat pump  
units with economizers

# FY 2015 CIP Projects Completed

## Casa de Salud Manuel Portillo Youth Center Improvements

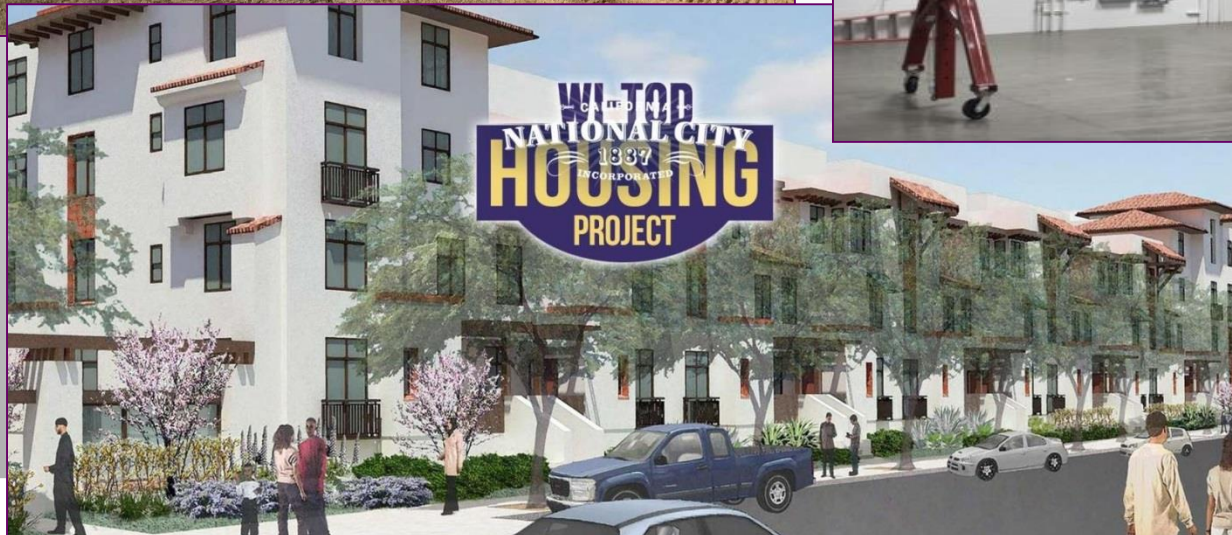
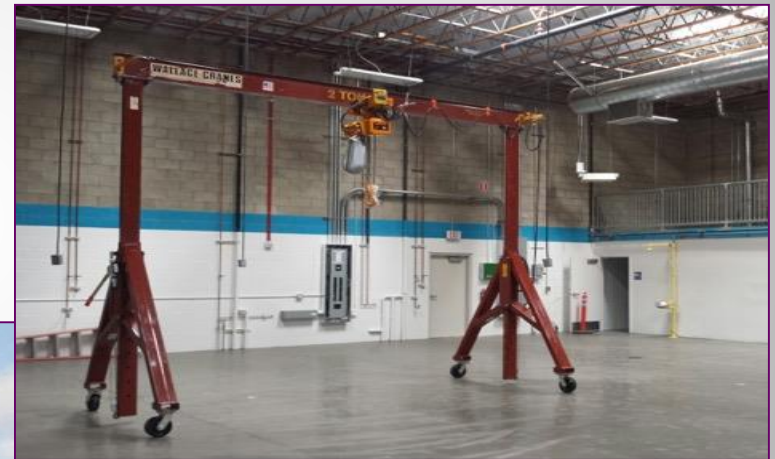
Before



After

# FY 2015 CIP Projects Completed

## WI-TOD Site Preparation & Public Works Relocation



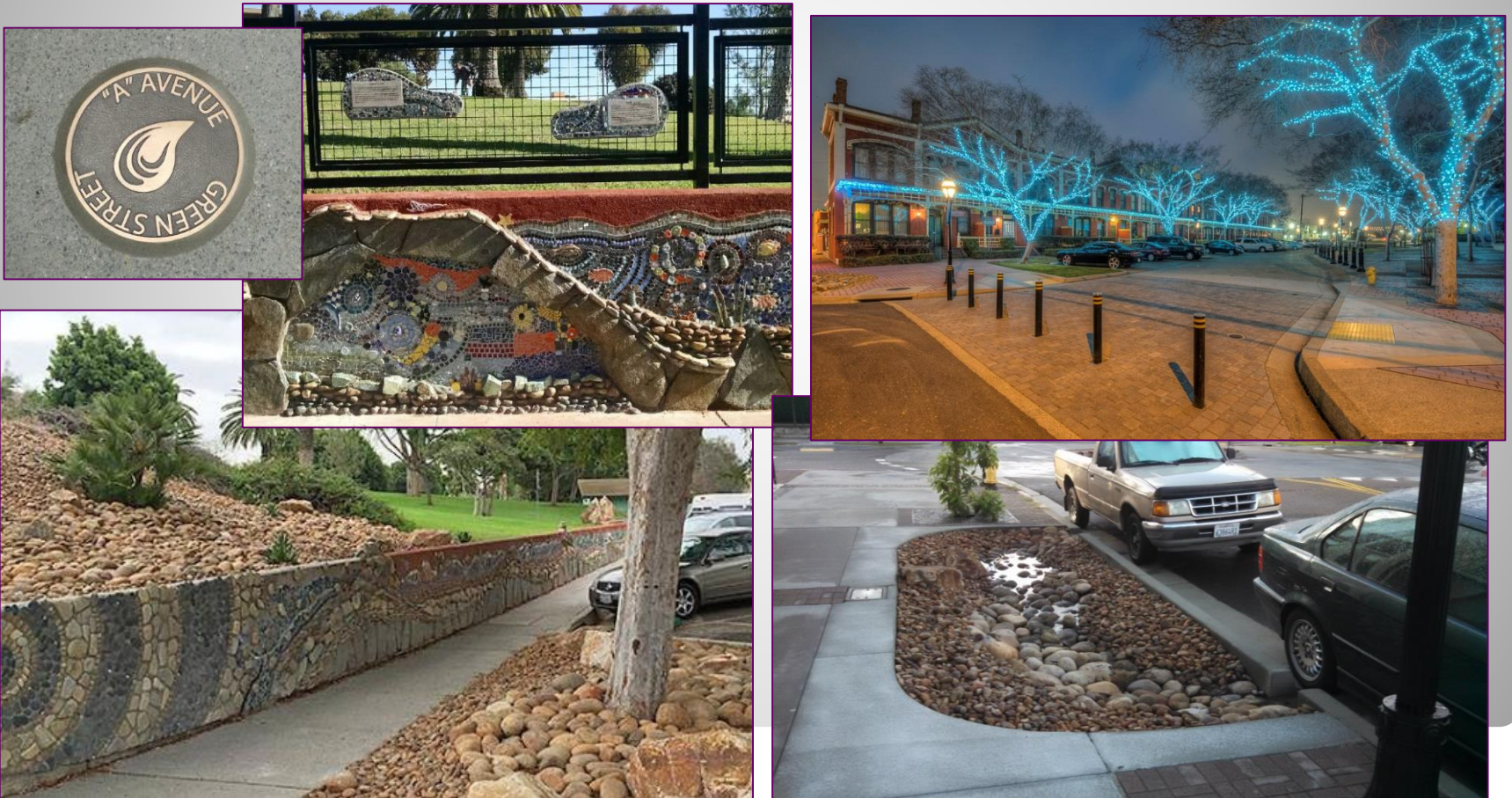
# FY 2016

## CIP Projects Completed

Projects	Amount
"A" Ave "Green" Street (8th St through Kimball Park to Paradise Creek)	\$3,700,000
"D" Avenue Community Corridor, Roundabout and War Memorial	\$2,600,000
Highland Ave Safety Enhancements (Division St to 8th St)	\$1,900,000
Paradise Valley Rd Safe Routes to School (8th St to Plaza Blvd)	\$350,000
National City Aquatic Center	\$5,300,000
National City Public Library Improvements	\$1,100,000
Unified Messaging System	\$210,000
<b>Total</b>	<b>\$15,160,000</b>

# FY 2016 CIP Projects Completed

"A" Ave "Green" Street  
(8<sup>th</sup> St through Kimball Park to Paradise Creek)



# FY 2016 CIP Projects Completed

## "A" Ave "Green" Street (8<sup>th</sup> St through Kimball Park to Paradise Creek)

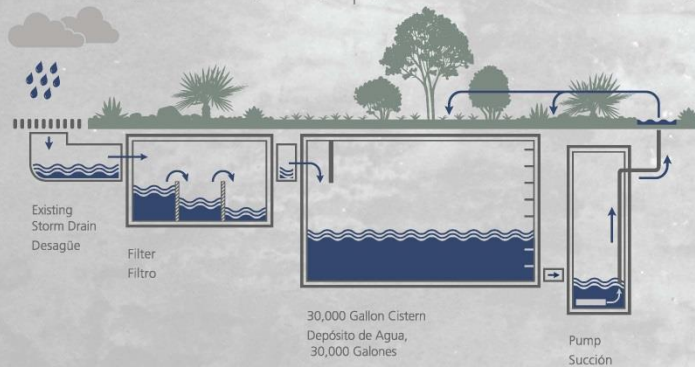
### Harvesting Rainwater

(La Recolección de Agua de Lluvia)

#### KIMBALL PARK

Below Kimball Park there is a 30,000 gallon rainwater harvesting system. The water is treated to be re-used for irrigation within the native plant garden you see before you today.

Debajo de Kimball Park hay un sistema de recolección de aguas pluviales de 30,000 galones. El agua es tratada para ser reutilizada para riego dentro del jardín de plantas nativas que ven ante ustedes hoy.

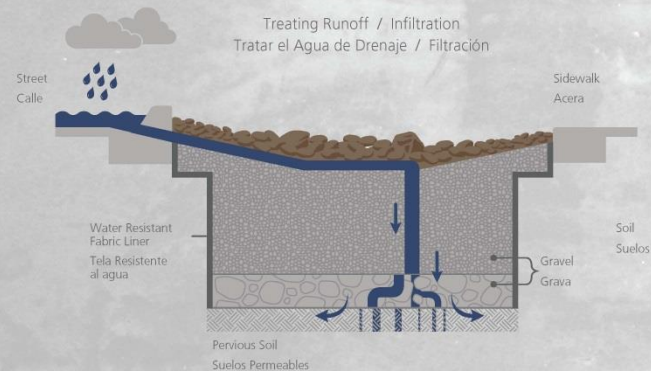


### Replenishing Groundwater

(La Reposición de las Aguas Subterráneas)

Rainwater enters this rockscape area from the street. After flowing through rocks, water is allowed to flow into the ground, removing pollutants and replenishing the groundwater.

El agua de lluvia entra en esta área rockscape desde la calle. Después de fluir a través de las rocas, se permite que el agua fluya en la tierra, la eliminación de los contaminantes y la reposición de las aguas subterráneas.



# FY 2016 CIP Projects Completed

## "D" Ave & 12<sup>th</sup> St Roundabout & War Memorial



# FY 2016 CIP Projects Completed

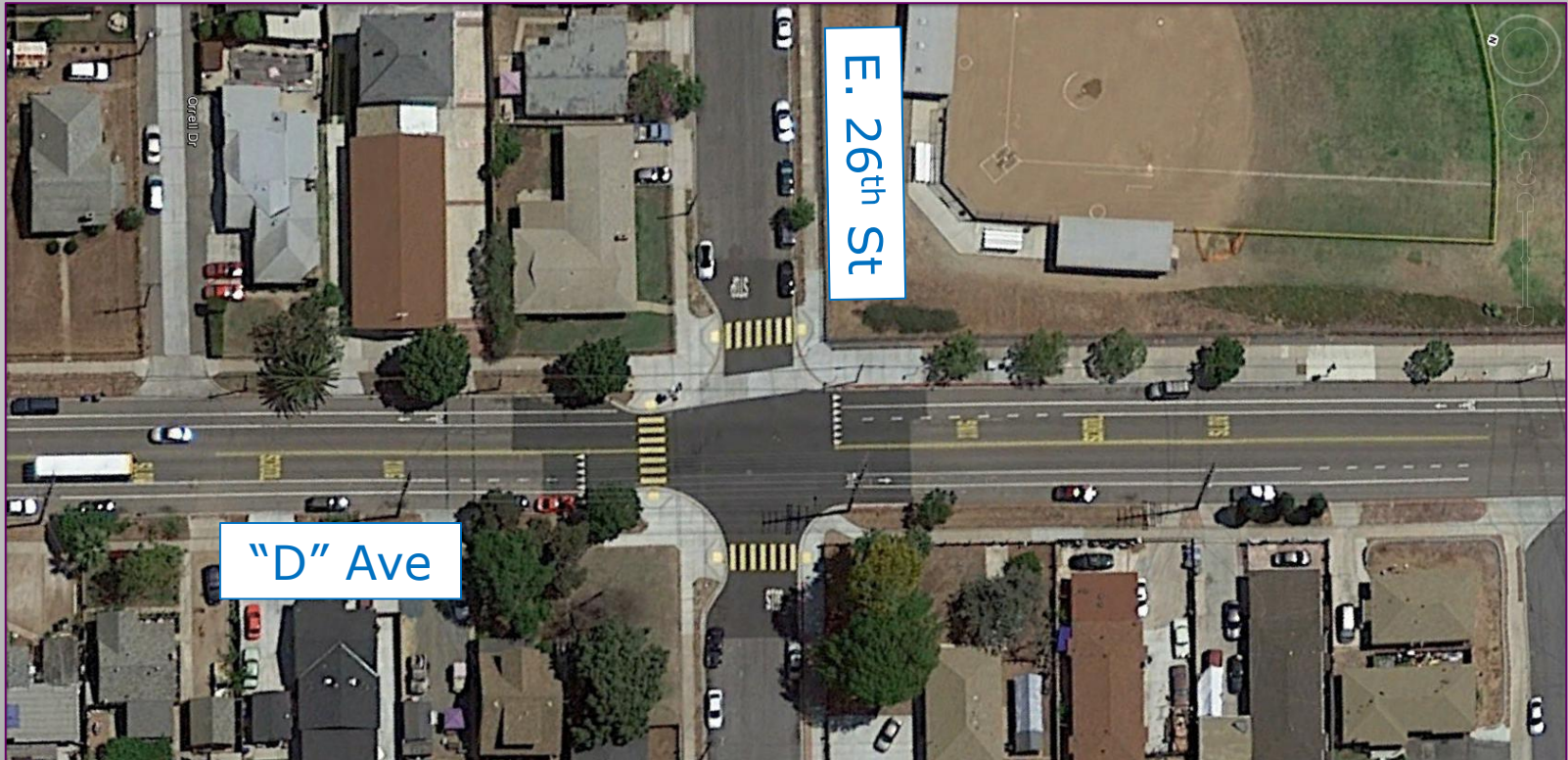
## "D" Ave & 12<sup>th</sup> St Roundabout & War Memorial



War Memorial  
Rededication Ceremony:  
December 7, 2015

# FY 2016 CIP Projects Completed

## "D" Avenue Community Corridor (Division St to 30<sup>th</sup> St)



Class II Bike Lanes &  
Pedestrian Crossing Enhancements

# FY 2016 CIP Projects Completed

## Highland Ave Safety Enhancements (Division St to 8<sup>th</sup> St)



Before

After



# FY 2016 CIP Projects Completed

## Paradise Valley Rd Safe Routes to School (8<sup>th</sup> St to Plaza Blvd)



Before

After



# FY 2016 CIP Projects Completed

## National City Aquatic Center



# FY 2016 CIP Projects Completed

## National City Public Library Improvements



# **FY 2016 CIP Projects Completed**

## **Unified Messaging System**



Replaced outdated telephones at City facilities  
with a modernized Unified Messaging System

# FY 2017

## CIP Projects Completed

Projects	Amount
Downtown-Westside Community Connections (Phases III & IV – Plaza Blvd and 14th St between Coolidge Ave and “A” Ave)	\$1,200,000
Plaza Blvd Widening (Phase I – “N” Ave to I-805)	\$4,800,000
Safe Routes to School Pedestrian and Bicycle Safety Enhancements	\$600,000
Bicycle Parking Enhancements	\$120,000
Kimball Park Improvements	\$4,000,000
El Toyon Park Improvements	\$1,000,000
Paradise Creek Educational Park Improvements	\$980,000
Kimball Park Low-Impact Development and Paradise Creek Restoration	\$2,400,000
Police Department Building Improvements	\$2,000,000
Civic Center (City Hall) Improvements	\$300,000
Fire Station 31 Improvements	\$190,000
National City Municipal Pool Improvements	\$160,000
Camacho Recreation Center Improvements	\$120,000
CCTV Camera Video Storage Capacity Upgrades	\$100,000
<b>Total</b>	<b>\$17,970,000</b>

# FY 2017 CIP Projects Completed

Downtown-Westside Community Connections  
(Phases III & IV – Plaza Blvd and 14th St between  
Coolidge Ave and "A" Ave)



# FY 2017 CIP Projects Completed

## Plaza Blvd Widening (Phase I – "N" Ave to I-805)



# FY 2017 CIP Projects Completed

## Safe Routes to School Pedestrian and Bicycle Safety Enhancements

Pedestrian Crossing  
Enhancements -  
E. 16th Street & Grove St



Raised Crosswalk  
in front of  
Granger Jr High School

# FY 2017 CIP Projects Completed

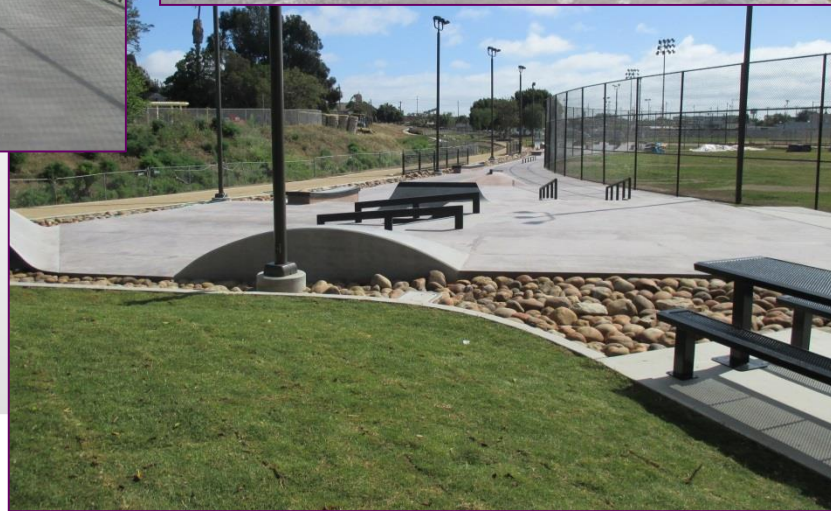
## Bicycle Parking Enhancements



Bike corral (functional art) on E. 12th Street  
in front of ARTS Center

# FY 2017 CIP Projects Completed

## Kimball Park Improvements



# FY 2017 CIP Projects Completed

## Kimball Park Improvements



# FY 2017 CIP Projects Completed

## El Toyon Park Improvements



# FY 2017 CIP Projects Completed

## Paradise Creek Educational Park Improvements



# FY 2017 CIP Projects Completed

## Kimball Park Low-Impact Development and Paradise Creek Restoration



Before

After



# FY 2017 CIP Projects Completed

## Police Department Building Improvements



New Modular Shelving  
for NCPD Property &  
Evidence Room



# FY 2017 CIP Projects Completed

## Civic Center (City Hall) Improvements



# FY 2017 CIP Projects Completed

## Fire Station 31 Improvements



# FY 2017 CIP Projects Completed

## National City Municipal Pool Improvements



# FY 2017 CIP Projects Completed

## Camacho Recreation Center Improvements



# **FY 2017 CIP Projects Completed**

## **CCTV Camera Video Storage Capacity Upgrades**



Upgraded closed-circuit television (CCTV) camera video storage capacity to address system expansion and data retention requirements

# FY 2017 CIP Projects in Construction

Projects	Amount
18th St Community Corridor (Phase II – “D” Ave to Granger Ave)	\$1,700,000
Division St Traffic Calming (Highland Ave to Euclid Ave)	\$1,400,000
Westside Pedestrian and Bicycle Enhancements	\$2,200,000
Wayfinding Signage	\$1,100,000
Sewer Replacement & Upsizing	\$3,500,000
Las Palmas & El Toyon Park Lighting Replacement	\$1,000,000
ARTS Center Improvements (Roof Replacement)	\$250,000
Fire Station 33 (Squad Pilot Program)	\$360,000
<b>Total</b>	<b>\$11,510,000</b>

# FY 2017 CIP Projects in Design

Projects	Amount
30th St Bicycle Corridor ("D" Ave to N. 2nd Ave)	\$1,300,000
Euclid Ave Bicycle Corridor (Cervantes Ave to E. 24th St)	\$4,000,000
El Toyon - Las Palmas Bicycle Corridor	\$2,000,000
Plaza Blvd Widening (Phase II – Highland Ave to "N" Avenue)	\$4,000,000
Sweetwater Rd Safety Enhancements (Plaza Bonita Rd to Plaza Bonita Center Way)	\$1,300,000
Traffic Calming, Safe Routes to School and Pedestrian Crossing Enhancements	\$1,600,000
Alley Improvements	\$1,200,000
Drainage Improvements	\$700,000
Traffic Signal Upgrades	\$4,300,000
Paradise Creek Park*	\$6,300,000
Fiber Optics Communications Infrastructure Expansion	\$330,000
Public Safety Cameras	\$250,000
Citywide Facilities Energy Savings Upgrades**	\$5,470,000
Las Palmas & El Toyon Park Playground Equipment Replacement	\$300,000
Cell Phone Repeater Upgrades	\$75,000
* Includes site remediation, grading, infrastructure improvements, park amenities and roadway reconstruction	
** Capital investment will be reimbursed through energy savings	
<b>Total</b>	<b>\$33,125,000</b>

# Historic and Cultural Assets

- Transferred to the City after the CDC-RDA Dissolution
- Need to complete new Maintenance and Operating Agreements (MOAs) with Community partners for the following sites:
  - Kimball House & Museum (National City Historical Society)
  - Historic Santa Fe Rail Depot (San Diego Electric Railway Association)
  - Stein Family Farm (Stein Farm Family Trust)
- Maintenance and funding will be addressed in the MOAs
- Cost estimates are based on maintaining current operations
- Granger Music Hall
  - Cost estimate for building restoration and potential relocation to the Marina District is preliminary
  - Comprehensive assessment is underway and will be completed by end of FY 2017

# Historic and Cultural Assets

Historic and Cultural Properties	Recommended Improvements*	Cost Estimate
Kimball House	Exterior painting (includes lead safe practices); replace windows (sash, trim, panes and paint); repair doors and stairs; termite treatment; and minor interior repairs	\$200,000
Santa Fe Rail Depot	Exterior painting (includes lead safe practices); replace windows (sash, trim, panes and paint); repair doors, trim, siding and gutter downspout; termite treatment; and minor interior repairs	\$200,000
Stein Family Farm	Site drainage; structural repairs to building foundations, barn and carport; exterior painting (includes lead safe practices); replace windows (sash, trim, panes and paint); porch repairs; replace fascia boards and trim; termite treatment; and minor interior repairs	\$480,000
Granger Music Hall	Complete building restoration and potential relocation to the Marina District	\$3,000,000
	<b>Total</b>	<b>\$3,880,000</b>

*\* Improvements are needed to restore and preserve the facilities to allow for continuation of current operations. Cost estimate for Granger Music Hall is preliminary and considers complete building restoration and potential relocation to the Marina District; a comprehensive assessment is underway and will be completed by the end of FY 2017.*

# "Competitive" Grant Awards

Grants	Amount
Smart Growth Incentive Program (SGIP) Grant – 8th St (Trolley Station to Highland Ave)	\$2,000,000
Smart Growth Incentive Program (SGIP) Grant – Downtown-Westside Community Connections	\$2,000,000
Smart Growth Incentive Program (SGIP) Grant – Westside Pedestrian & Bicycle Enhancements	\$2,000,000
Smart Growth Incentive Program (SGIP) Grant – Downtown Specific Plan Update	\$320,000
Smart Growth Incentive Program (SGIP) Grant – Wayfinding Signage Program	\$825,000
San Diego Unified Port District CIP – Wayfinding Signage Program	\$250,000
San Diego Unified Port District CIP – National City Aquatic Center	\$4,633,110
Catalyst Grant – WI-TOD Project (Phase I)	\$500,000
EPA Grants (2 Total) – WI-TOD Project (Phase I)	\$400,000
Strategic Growth Council Affordable Housing and Sustainable Communities (AHSC) Program Grant – WI-TOD (Phase II) Transportation Infrastructure	\$930,271
Department of Housing and Community Development Housing-Related Parks Program (HRPP) Grant – WI-TOD (Phase II) Community Park	\$553,450
Prop 84 Storm Water Grant – “A” Ave “Green” Street (8th St through Kimball Park)	\$2,500,000
Prop 84 Storm Water Grant – Kimball Park LID / Paradise Creek Restoration	\$1,876,153
Prop 84 Urban Greening Grant – Paradise Creek Educational Park	\$840,000
Prop 1 Storm Water Grant – Sweetwater River Park Bioretention	\$1,344,425
Prop 1 Integrated Regional Water Management (IRWM) Grant – Paradise Creek Water Quality and Community Enhancement (Paradise Valley Rd)	\$365,000
CAL FIRE Urban & Community Forestry Greenhouse Gas Reduction Fund Grant – Urban Forest Management Plan	\$250,285
California Initiative to Reduce Carbon and Limit Emissions (CIRCLE) & Tree San Diego Grants (2 Total) - Tree Planting (Community Parks & Open Space)	\$30,000

# "Competitive" Grant Awards

Grants	Amount
Highway Safety Improvement Program (HSIP) Grant – 8th St (Highland Ave to Palm Ave)	\$900,000
Highway Safety Improvement Program (HSIP) Grant – Highland Ave (Division St to 8th St)	\$900,000
Highway Safety Improvement Program (HSIP) Grant – 18th St ("D" Ave to Palm Ave)	\$192,200
Highway Safety Improvement Program (HSIP) Grant – Sweetwater Rd (Plaza Bonita Rd to Plaza Bonita Center Way)	\$680,940
Highway Safety Improvement Program (HSIP) Grants (10 Total) – Traffic Signal Upgrades, Lighting, Pedestrian / ADA Enhancements	\$4,255,630
Safe Routes to School (SRTS) Grant – Coolidge Ave	\$730,000
Safe Routes to School (SRTS) Grant – Roundabout at "D" Ave & 12th St	\$500,000
Safe Routes to School (SRTS) Grant – 8th St ("D" Ave to Highland Ave)	\$450,000
Safe Routes to School (SRTS) Grant – Paradise Valley Rd (8th St to Plaza Blvd)	\$225,000
Safe Routes to School (SRTS) Grant – Citywide SRTS Education & Encouragement Program	\$500,000
Active Transportation Program (ATP) Grant – 4th St (Roosevelt Ave to Harbison Ave)	\$450,000
Active Transportation Program (ATP) Grant – "D" Ave (Division St to 30th St)	\$600,000
Active Transportation Program (ATP) Grants (2 Total) – Citywide Bicycle Parking	\$100,000
Active Transportation Program (ATP) Grants (9 Total) – ADA, Pedestrian & Bicycle Enhancements (18th St, 30th St, Division St, Euclid Ave, I-805 Bike Corridor, Citywide SRTS)	\$9,883,000
Bicycle Transportation Account (BTA) Grant – 4th St (Roosevelt Ave to Harbison Ave)	\$355,500
Community Development Block Grant (CDBG) – Drainage Improvements	\$116,000
Community Development Block Grant (CDBG) – George H. Waters Nutrition Center	\$95,000
Greater San Diego City Tennis Council Grant – Resurface El Toyon Park Tennis Courts	\$12,000
<b>Grants Awarded = 56</b>	<b>Total \$42,562,964</b>

# CIP Project Awards

Awards
Institute of Transportation Engineers (ITE) San Diego Section “2014 Public Agency of the Year Award”
Circulate San Diego “2014 Innovator Award”
American Planning Association (APA) San Diego Chapter “2015 Comprehensive Planning Award: Small Jurisdiction” for SMART Foundation Plan
American Planning Association (APA) California Chapter “2015 Comprehensive Planning Award: Small Jurisdiction” for SMART Foundation Plan
Women’s Transportation Seminar (WTS) San Diego Chapter “2015 Innovative Transportation Solutions Award: Alternative Modes and Active Transportation” for Community Corridors
Circulate San Diego “2015 San Diego Regional Walk Scorecard – Top Ranked City”
San Diego County Bicycle Coalition “2015 Golden Gear Award: Public Partner of the Year”
American Public Works Association (APWA) San Diego Chapter “2016 Project of the Year Award” for “A” Avenue “Green” Street
American Public Works Association (APWA) San Diego Chapter “2016 Honor Award” for 8th Street Smart Growth Revitalization
American Public Works Association (APWA) San Diego Chapter “2016 Honor Award” for Highland Avenue Safety Enhancements
American Public Works Association (APWA) San Diego Chapter “2016 Honor Award” for Community Corridors
American Society of Civil Engineers (ASCE) San Diego Section “2016 Project of the Year Award: Urban Design & Beautification” for 8th Street Smart Growth Revitalization
American Society of Civil Engineers (ASCE) San Diego Section “2016 Project of the Year Award: Sustainable Technologies” for Highland Avenue Safety Enhancements

# CIP Project Awards

## Awards

Institute of Transportation Engineers (ITE) San Diego Section "2015/2016 Small Project of the Year Award" for "D" Avenue & 12th Street Roundabout

Circulate San Diego "2016 Momentum Award: Healthy Community" for Paradise Creek Educational Park Urban Greening Project

Women's Transportation Seminar (WTS) San Diego Chapter "2016 Innovative Transportation Solutions Award: Alternative Modes and Active Transportation" for "A" Avenue Green Street

American Council of Engineering Companies (ACEC) "2017 California Merit Award for Engineering Excellence" for "A" Avenue Green Street

American Public Works Association (APWA) San Diego Chapter "2017 Project of the Year Award" for Paradise Creek Restoration

American Public Works Association (APWA) San Diego Chapter "2017 Honor Award" for Kimball & El Toyon Park Improvements



# FY 2018 CIP Funding Recommendations

Project	Type	Description (FY 2018)	General Fund (001)	Information Systems Maintenance Fund (629)	Total
Drainage Improvements (001-409-500-598-7049)	Infrastructure	Replace corrugated metal storm drain pipes and provide other high priority drainage improvements Citywide	\$ 200,000		\$ 200,000
Public Safety Cameras (629-409-500-598-8040)	Infrastructure	Replace existing cameras that are no longer operational and/or require upgrades; install new cameras and associated infrastructure; locations prioritized by public safety needs based on collaboration between NCPD, MIS and Engineering	\$ -	\$ 200,000	\$ 200,000
Traffic Monitoring / Safety Enhancements (001-409-500-598-6573)	Infrastructure	Provide traffic safety enhancements, roadway rehab, new sidewalks and curb ramps for Americans with Disabilities Act (ADA) compliance; traffic data collection, analysis and reporting; funding provides local match for transportation grant projects and <i>TransNet</i> Maintenance of Effort (MOE)	\$ 1,000,000	\$ -	\$ 1,000,000
Paradise Creek Park Site Remediation (001-409-500-598-1597)	Parks & Recreation	Provide site remediation, grading and infrastructure improvements to construct a new approximately 4-acre Community Park with amenities on the west side of Paradise Creek between W. 22nd Street and W. 19th Street; General Fund will be reimbursed through the Recognized Obligation Payment Schedule (ROPS)	\$ 2,000,000	\$ -	\$ 2,000,000
<b>Total</b>			<b>\$ 3,200,000</b>	<b>\$ 200,000</b>	<b>\$ 3,400,000</b>

# FY 2018 CIP Funding Recommendations

## ***Enterprise Lease Program (Annual Payment - Existing Vehicles)***

<b>FY 2018 Cost</b>	<b>Funding Source</b>	<b># Vehicles</b>	<b>Vehicle Type (Department)</b>
\$ 72,171	General Fund (001)	11	4 sedans (Police); 1 hybrid sedan (Building); 1 light-duty truck (Engineering); 2 light-duty trucks, 1 medium-duty truck and 1 hybrid sedan (Neighborhood Services); 1 passenger van (Community Services)
\$ 57,422	Parks Maintenance Fund (105)	9	8 light-duty trucks and 1 medium-duty truck (Public Works-Parks)
\$ 22,622	Sewer Fund (125)	3	1 light-duty truck and 2 heavy-duty trucks (Public Works-Streets & Wastewater)
\$ 5,626	Section 8 (502)	1	1 hybrid sedan (Section 8 Housing)
\$ 18,599	Facilities Maintenance Fund	3	3 light-duty trucks (Public Works-Facilities)
<b>\$ 176,440</b>	<b>Total</b>	<b>27</b>	

## ***Equipment Replacement Reserve (Purchase Price w/ Aftermarket Equipment - New Vehicles)\****

<b>FY 2018 Cost</b>	<b>Funding Source</b>	<b># Vehicles</b>	<b>Types</b>
\$ 1,010,000	General Fund (001)	16	3 sedans and 6 full-size SUVs (Police); 1 heavy-duty, 10-yard dump truck (Public Works-Streets & Wastewater); 1 heavy-duty patch truck and 1 street striper (Public Works-Streets); 1 gang mower (Public Works-Parks); 1 electric scooter (Neighborhood Services-Parking Enforcement); 1 F-450 flatbed truck (Neighborhood Services-Graffiti); and 1 sedan (Neighborhood Services-Code Enforcement)**
\$ 260,000	Sewer Fund (125)	2	1 backhoe and 1 loader (Public Works-Streets & Wastewater)
\$ 210,000	Trash Rate Stabilization Fund	1	1 street sweeper (Public Works-Streets)
<b>\$ 1,480,000</b>	<b>Total</b>	<b>19</b>	

*\* Reserve will be reimbursed through internal service charges by estimating the vehicle replacement costs over the life cycles*

*\*\* Public Works heavy-duty, 10-yard dump truck will be funded in part by Sewer Fund (\$40,000)*

# Questions?

See our Progress at:  
*[nationalcityprojects.com](http://nationalcityprojects.com)*

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# Future Impacts

# Future Impacts

Pension costs

Deferred maintenance

State-mandated minimum wage increase



## Next Steps

# Next Steps

Council-directed budget adjustments (if necessary)

Additional staff review and refinement

Neighborhood Council budget presentations (May 3<sup>rd</sup>, 11<sup>th</sup>, & 17<sup>th</sup>)

Budget workshop, if needed (May 23<sup>rd</sup>)

Pension and/or OPEB pre-funding plan

Budget adoption June 6<sup>th</sup>

# Request for Direction

Staff seeks direction on:

- Revisions to the preliminary budget
  - Pension and/or OPEB pre-funding – \$1,000,000
  - Aquatic Center – \$181,000
- Additional Council priorities, staffing, or programmatic adjustments
- Second budget workshop, 4:00 pm on May 23<sup>rd</sup> (if necessary)



# Deficit Spending General Fund

Preliminary budget, as presented:

Projected Unassigned Fund Balance, 6/30/17	\$ 9,150,509
Estimated Structural Deficit, FY 18	(2,480,836)
1-time Capital Spending (Capital Expenses)	(1,336,706)
Estimated Remaining Unassigned Fund Balance, 6/30/18	\$ 5,332,967

With all potential adjustments:

Projected Unassigned Fund Balance, 6/30/17	\$ 9,150,509
Estimated Structural Deficit, FY 18	(2,789,101)
1-time Capital Spending (Capital Expenses)	(1,987,744)
Adjusted Estimated Remaining Unassigned Fund Bal., 6/30/18	\$ 4,373,664



# Public Comments



# Comments/Direction